NTrust
The Lease Data Specialists

Lease Data Migration and Clean-up for a Large Retailer with over 10,000 Stand-alone locations

While changing lease management systems, a large retailer made the decision to perform a full abstraction project for over **10,000 leases**...which saved it an estimated $2 million in the first 3 years!

LEASE DATA AUDIT AND CLEAN-UP FOR A LARGER RETAILER

Problem

A large retailer was switching lease management systems and was faced with an all too common decision...migrate data known to have inaccuracies from

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Migrate data from existing system... knowing it is not accurate

Full Abstraction Project... Knowing timeline and cost is an issue

the current system to the new system OR incorporate a full abstraction project into the new system implementation?

The client and Property Management company's Project Managers worked through the numbers and found that even if

only 10% of the existing data were inaccurate, that could equate into over $10 million in overpayments and missed options over the next 5 years.

This dwarfed the cost of performing the full abstraction, but there were other risks to be considered...

- The volume of leases was huge and would require multiple vendors
- The data would still have to be reviewed by Property Management and Client resources – creating a potential project bottleneck
- The abstraction project could potential go longer than the software implementation project...leading to cost overruns on both projects

It was clear that vendor selection and very tight project management would be required to successfully complete the software implementation AND the full abstraction projects.

The Project Managers jointly decided that the best route was

to perform a full abstraction project to assure that the new system had accurate data so that they could move forward with confidence when providing information to management on the status of all leases.

The initial project plan called for the use of 4 Lease Abstraction vendors, who would deliver their data for review by a team of lease specialists in the Property Management company, and then for further quality checking by the client Real Estate department.
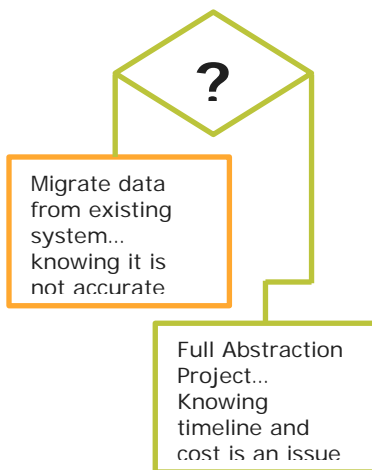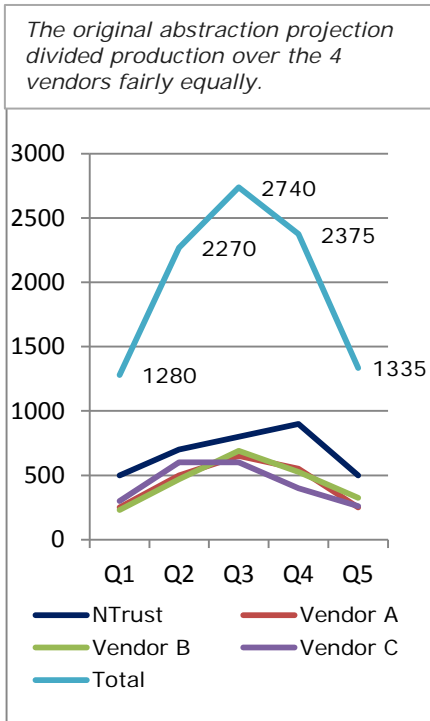
The project would have the following phases:

Pilot Phase – 6 weeks
Determine throughput and Quality

Initial Production Phase – 2 months
Verify consistency ramp up throughput

Ongoing Production Phase – 8 months
Streamline process and Maintain throughput

Production Ramp Down Phase- 3 months
Roll Vendors off Production

The Project Managers put together a production projection for each phase and for each vendor, which you can see in the first chart below.

The original abstraction projection divided production over the 4 vendors fairly equally.

Based on this projection, the Project team decided to cut one vendor and allocate their leases to NTrust. Once this was successfully delivered, they asked NTrust to take over all abstraction work as they ramped down the other vendors.

"NTrust was selected as the sole Lease Abstraction vendor because of accuracy and scalability."

As the chart below illustrates, NTrust ramped up production and became the sole abstraction vendor by Q3 of the project.

Process Tuning and Quality

Using the findings from the Pilot Project and working with NTrust's Abstraction Specialists, the client and Property Management Project Managers wanted to segment the leases such that the most difficult/error prone leases would be given to the NTrust Team.
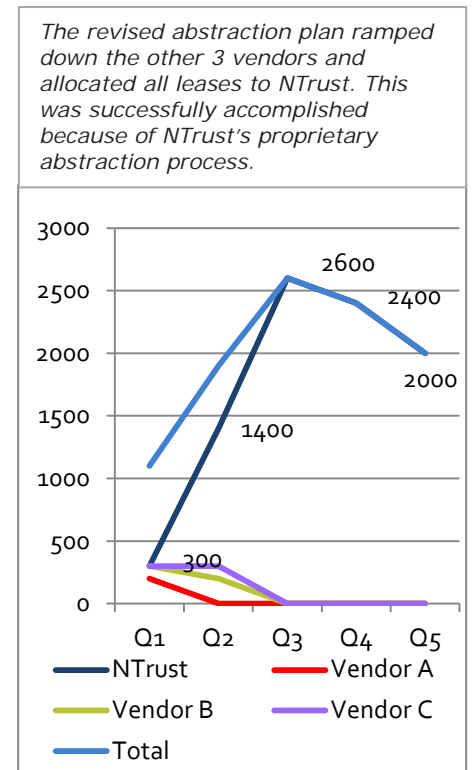
Based on years of experience NTrust helped identify the lease attributes that would typically make them more difficult to abstract:

- Age of the Lease
- Geographic Region
- Portfolio Growth Timeline

The client and Property Management Project Managers requested that NTrust take a higher percentage of these difficult leases so they could baseline the other vendors' error rate.

As error rates were statistically tracked for each vendor, NTrust's ability to deliver data with ZERO ERRORS in the first Quarter allowed the client and Property Management teams to

reduce the validation team size by 25% and compress the overall project timeline...which saved over $100,000 over the course of the project.

The revised abstraction plan ramped down the other 3 vendors and allocated all leases to NTrust. This was successfully accomplished because of NTrust's proprietary abstraction process.

This gave the project team the chance to iron several scope discrepancies early in the abstraction cycle...which built client confidence and lead to NTrust becoming the sole abstraction vendor for the project.

How Did NTrust Deliver Data with Zero Errors?

NTrust is a process company. We live and breathe process improvement...every day.

We got to ZERO errors with this client by taking the following steps:

1. Develop Custom Client-Specific Processes.
2. Create Pilot Project with 100% of review of data.
3. Review Legibility and completeness of leases

Modifying the Project Plan based on Experience

The Pilot Phase of the project was designed to allow the Client and the Property Management company to be able to evaluate the capacity and quality of the Abstraction Vendors. This would allow them to allocate leases according to the quality and throughput of the vendor.

NTrust completed the Pilot Phase in 3 weeks...half the time allocated, and had 100% accuracy on the data delivered. This, of course, got the attention of the Project Managers, and NTrust was asked how many more leases they could process while maintaining quality. We estimated that we could double the throughput each month up to 1,000 contracts per month while maintaining quality.

before abstraction...flag poor quality and incomplete leases to client.

4. Deliver data frequently allowing client to review in small chunks.
5. Create Dedicated Abstraction and Quality Review teams.

The Bottom Line

The client and the Property Management firm have been very impressed with NTrust's approach...and have decided to adopt the NTrust process as their ongoing lease abstraction and Lease Data Quality Control processes.

NTrust doesn't just deliver data, we deliver quality and accuracy

that allows clients to have confidence in the strategic decisions they are making with regard to their real estate assets.

Lease Abstraction Flow

NTrust's proprietary lease abstraction process provides clients with instant access and ongoing reports and feedback.

However, the most important thing it delivers is accurate data and the confidence that comes with knowing you have accurate data.

Learn more at www.ntrustinfotech.com